

**LEGISLATIVE SERVICES AGENCY
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FISCAL IMPACT STATEMENT

LS 6619

BILL NUMBER: SB 246

NOTE PREPARED: Mar 27, 2013

BILL AMENDED: Mar 26, 2013

SUBJECT: Controlled Substances.

FIRST AUTHOR: Sen. Grooms

FIRST SPONSOR: Rep. Davisson

BILL STATUS: CR Adopted - 2nd House

FUNDS AFFECTED: ☒ **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: (Amended) This bill does the following.

Ownership for Purpose of Dispensing Controlled Substances/Registration- The bill defines "owner" for purposes of requiring an owner that employs or contracts with individuals to dispense controlled substances to, beginning January 1, 2014, maintain a controlled substance registration.

Attorney General- The bill beginning January 1, 2014, allows the Attorney General (AG) to petition the court to obtain an injunction against an owner that violates the controlled substance registration and control laws.

Rules Adoption- The bill requires the Medical Licensing Board (MLB) to adopt emergency rules and permanent rules within a specified period concerning: (1) standards and procedures for the AG to follow in accessing physicians' records and inventory; and (2) standards and protocol for the prescribing of controlled substances.

2013 Legislative Interim- During the 2013 legislative interim, the bill requires the Health Finance Commission (HFC) to study: (1) issues concerning pharmacy programs designed to take back and dispose of old and expired prescription drugs; and (2) the use of methadone and opioids in treatment programs and clinic settings. The bill requires the Division on Mental Health and Addiction (Division) to provide the HFC specified information concerning opioid treatment in Indiana. During the 2013 legislative interim, the bill requires the Commission on Mental Health and Addiction (COMHAA) to study issues concerning treatment and recovery from prescription drug use addiction.

Effective Date: Upon passage, July 1, 2013.

Explanation of State Expenditures: (Revised) *Rules Adoption*- The Medical Licensing Board would have additional responsibilities to adopt emergency and permanent rules to establish standards and procedures for the AG to inspect physician records, materials, and inventory. The State Board of Pharmacy (SBOP) and any other board overseeing controlled substances would also be able to adopt rules to complement the rules adopted by the MLB.

The Professional Licensing Agency (PLA) is the agency that staffs meetings of the MLB and SBOP. If the development of rules under the bill requires additional meetings of the MLB and SBOP, the PLA staff assigned to those boards would require more time away from other duties to staff the additional meetings. MLB members would earn per diem, subsistence, and mileage reimbursement for each additional meeting.

(Revised) *Attorney General*- After January 1, 2014, an "owner" as defined in the bill, must have a controlled substances registration issued by the MLB in accordance with the MLB's rules. Owners would be required to establish reasonable procedures to ensure that employed or contracted individuals who are dispensing controlled substances in the office, facility, clinic, or location owned or controlled by the owner dispense the controlled substances in a manner that complies with all laws, rules, and regulations.

(Revised) *Ownership for Purpose of Dispensing Controlled Substances/Registration*- It is unknown how much additional workload may be placed on the PLA as a result of this provision. The PLA would process any additional controlled substances registration applications the bill may generate. The PLA reports that there were 30,704 active registrations during FY 2012. Physicians account for 17,718 (57.7%) of the active registrations during the same year.

(Revised) *2013 Legislative Interim*- Division of Mental Health and Addiction: The Division already reports and advises on methadone. If additional information on opioid treatment were required, the Division could require additional administrative time and/or resources to do so.

The Commission on Mental Health and Addiction and the Health Finance Commission were both assigned additional study topics for the 2013 interim. If any additional meetings were required, there could be additional costs for travel and per diem. However, all costs would have to be within the COMHAA's and HFC's budgets (\$16,500 during the 2012 interim).

Background Information- A member of a professional board who is not a state employee is entitled to a \$50 per diem and \$39 subsistence (if an overnight stay is warranted). Additional meeting costs include preparation of information packets for members, including printing and postage.

Explanation of State Revenues: (Revised) *Ownership for Purpose of Dispensing Controlled Substances/Registration*- As stated above in "State Expenditures", the amount of revenue this provision may generate is indeterminable. For FY 2012, the CSR generated \$867,920 in revenue. Of that amount, the \$729,053 went to the state General Fund and \$138,867 went to the Controlled Substances Data Fund, which is used to support the INSPECT program.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Medical Licensing Board; State Board of Pharmacy, Professional Licensing Agency; Commission on Mental Health and Addiction; Health Finance Commission; Division on Mental Health and Addiction.

Local Agencies Affected:

Information Sources: Professional Licensing Agency; Christina Hage, FSSA.

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